

Commonwealth of Massachusetts
Department of Telecommunications and Energy
Fitchburg Gas and Electric Light Company
Docket Nos. D.T.E. 02-24 and D.T.E. 02-25
Responses to the Department's Fourth Set of Information Requests

Request No. DTE 4-10:

Refer to Schedule FGE-MHC-1 (Electric) at 2. Please explain why this page contains positive entries under Pretax Utility Operating Income for the Seabrook Amortization Surcharge, Energy Efficiency, External Transmission, Transition Charge and Standard Offer Service.

Response:

The reason Schedule FGE-MHC-1 (Electric) at 2 contains positive entries under Pretax Utility Operating Income (before interest) for the Seabrook Amortization Surcharge (SAS), Energy Efficiency, External Transmission, Transition Charge (which consist of both the Select Entitlement Obligation and Transition Charges, Please see Response to D.T.E. 02-24 and D.T.E. 02-25, Fourth Set, Request #4-14) and Standard Offer Service is as follows:

Seabrook Amortization Surcharge incurs Pretax Utility Operating Income on an annual basis to reflect an allowed fixed annual carrying charge of \$1,234,919 per year, after tax.

Energy Efficiency incurred Pretax Utility Operating Income relating to earned incentives of \$164,994 and lost base revenues of \$241,950, recorded during the year on a pretax basis.

External Transmission indicates Pretax Utility Operating Income reflecting allowable revenues for recovery of carrying charges on the over/under collected balances for this reconciliation mechanism.

Transition Charge (the Transition Charge portion) incurs Pretax Utility Operating Income on an annual basis relating to the pretax return allowed on stranded Generation Assets.

Standard Offer Service indicates Pretax Utility Operating Income reflecting allowable revenues for recovery of carrying charges on the over/under collected balances for this reconciliation mechanism.

Person Responsible: Mark H. Collin